

Legislative Memorandum from:



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OPPOSING THE FOLLOWING LEGISLATION
Raised Senate Bill No. 104
Before the Committee on Government Administration and Elections
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AN ACT ESTABLISHING THE STATE CIVIC NETWORK

This proposal would create a significant new tax on video customers to fund live webcasts and television broadcasts of state government deliberations. While government programming is important, Verizon strongly opposes any new broad-based taxes on video services. Verizon and its' customers are already paying taxes to help fund state and local government spending and should not be expected to pay more to support the operations of a nonprofit organization (e.g., sales taxes, gross receipt taxes, franchise fees, real property taxes, etc.).

This proposal appears to be a “back door” effort by the Connecticut Network (CT-N) to fund its operation, including “expenses for salaries, consultants, attorneys and other professionals,” outside the traditional state budget process. If this proposal is enacted, CT-N will raise millions of dollars from traditional video and satellite consumers to pay for their broadcasts. While CT-N provides a valuable service to the viewing public, it should be required to annually justify its budget to the General Assembly like it has historically.

One point that can't be overlooked is that this proposal may expedite the trend of consumers dropping traditional cable service altogether due to the higher level of taxation. In fact, cable and satellite customers across the country are canceling their traditional cable service and sourcing their TV programming elsewhere. Ironically, CT-N could face fiscal uncertainties in the future as more consumers “cut the cord” if this proposal is enacted.

Businesses and consumers have to balance their budgets and tighten their belts in hard times. We respectfully suggest that CT-N do the same. Yes, reducing budgets are tough, but they're no worse than the measures many private sector companies have had to introduce to stay afloat during sluggish economies.

For these reasons, we respectfully urge that proposed legislation not advance.